



GAIL FARBER, Director

# COUNTY OF LOS ANGELES

## DEPARTMENT OF PUBLIC WORKS

*"To Enrich Lives Through Effective and Caring Service"*

900 SOUTH FREMONT AVENUE  
ALHAMBRA, CALIFORNIA 91803-1331  
Telephone: (626) 458-5100  
<http://dpw.lacounty.gov>

ADDRESS ALL CORRESPONDENCE TO:  
P.O. BOX 1460  
ALHAMBRA, CALIFORNIA 91802-1460

IN REPLY PLEASE

REFER TO FILE: PD-1

January 12, 2010

TO: Each Supervisor

FROM: Gail Farber  
Director of Public Works

*DFC*  
*1-14-2010*

### **ALAMEDA CORRIDOR-EAST CONSTRUCTION AUTHORITY BOARD MEETINGS-NOVEMBER 23, 2009, AND DECEMBER 21, 2009**

On November 23, 2009, and December 21, 2009, my staff attended the regular Board meetings of the Alameda Corridor-East (ACE) Construction Authority. Copies of the November 23, 2009, and December 21, 2009, agendas and adopted minutes of the October 26, 2009, and November 23, 2009, regular Board meetings are attached. The following items were discussed at the meetings, which are of interest to the County of Los Angeles.

#### **November 23, 2009, ACE Board Meeting**

**Agenda Item VI** – The Chief Executive Officer (CEO) reported that residents, businesses, and property owners attended the public hearing in San Gabriel on October 28, 2009, to offer comments on the Draft Environmental Impact Report/Environmental Assessment for the San Gabriel Trench Grade Separation Project. Several comments were received by the close of the comment period on November 16, 2009.

**Agenda Item VII** – The Board approved staff's recommendation to increase the CEO's change order authorization from 24 to 35 percent of the original contract value for future change order requests on the Sunset Avenue Grade Separation project.

**Agenda Item VIII** – The Board approved staff's recommendation to authorize the CEO to amend the contract with PB Americas, Inc., to add an amount not to exceed \$330,391 for construction management services during construction of the Sunset

*fm*

Each Supervisor  
January 12, 2010  
Page 2

Avenue Grade Separation project to Task Order No. 3 for a new task order amount not to exceed \$6,055,663.

**Agenda Item IX** – The Board approved staff's recommendation to amend the Fiscal Year 2010 Task Order with Del Richardson & Associates, Inc., to provide for additional relocation support services necessary for the construction of the Baldwin Avenue Grade Separation project, for an amount not to exceed \$21,000, for a new task order value not to exceed \$75,300.

**December 21, 2009, ACE Board Meeting**

**Agenda Item VI** – The Chief Executive Officer (CEO) reported that he met with the Executive Director of the California Transportation Commission to discuss a proposed "letter of no prejudice" that would allow State bond-funded projects to proceed with local funds, with the State reimbursing ACE when bonds can be issued.

**Agenda Item VII** – The Board approved staff's recommendation to amend the Fiscal Year 2010 Task Order with Wagner Engineering & Survey, Inc., to add an amount not to exceed \$46,500 for additional support services necessary for the closing out of grade separation projects for a new task order value not to exceed \$136,200.

**Agenda Item VIII** – The Board approved an agreement between the City of Alhambra and the ACE Construction Authority to mitigate adverse impacts pertaining to the San Gabriel Trench project.

**Agenda Item IX** – The Board approved staff's recommendation to continue to meet at the Irwindale City Hall with the following schedule for 2010:

January 25, February 22, March 22, April 26, May 24, June 28, July 26, August 23, September 27, October 25, November 22, and December 20.

The next Board meeting will be held on January 25, 2010, at 2 p.m., at the Irwindale City Hall Chambers.

HF:pr

0100435

P:\pdpub\Federal\ACE-ALAMEDA CORRIDOR EAST\BOARD MEETINGS\ACE Board meeting 11-23-09 12-21-09.doc

Attach.

cc: Chief Executive Office (William T Fujioka, Lari Sheehan)  
Executive Office



## **Alameda Corridor-East Construction Authority**

4900 Rivergrade Rd. Ste. A120 Irwindale, CA 91706 (626) 962-9292 fax (626) 962-3552 [www.theaceproject.org](http://www.theaceproject.org)

### **ALAMEDA CORRIDOR-EAST CONSTRUCTION AUTHORITY**

#### **BOARD OF DIRECTORS**

#### **SPECIAL MEETING AGENDA**

**Monday, November 23, 2009 – 2:00 P.M.**

**Industry City Hall  
15625 E. Stafford Street  
Industry, CA 91744**

**NOTE  
LOCATION  
CHANGE**

Members of the public may comment on any item on the agenda at the time it is taken up by the Board. We ask that members of the public come forward to be recognized by the Chair and keep their remarks brief. If several persons wish to address the Board on a single item, the Chair may impose a three-minute time limit on individual remarks at the beginning of the discussion.

- |       |  |                    |
|-------|--|--------------------|
| I.    | Roll Call and Introductions  |                    |
| II.   | Pledge of Allegiance   |                    |
| III.  | Approval of Minutes of October 26, 2009 Regular Board Meeting (Pages 1-4)  | Action             |
| IV.   | Public Comment   |                    |
| V.    | Chairman's Remarks   |                    |
| VI.   | Chief Executive Officer's Report (Pages 5-8)   | Information        |
| VII.  | Approval of Additional Contingency Authorization for the Sunset Avenue Grade Separation Project (Pages 9-10)   | Action             |
| VIII. | Approval of Amendment to Construction Management Services Contract for the Sunset Avenue Grade Separation Project with PB Americas, Inc. (Pages 11-12) | Action             |
| IX.   | Approval of Contract Amendment to FY 2010 Task Order for Property Relocation Services for Del Richardson & Associates (Page 13)                        | Action             |
| X.    | Approval of Revised Project Reporting (Pages 14-26)  | Action             |
| XI.   | Fiscal Year 2009 Audited Financial Statement ( Pages 27-56)  | Information        |
| XII.  | Closed Session: In accordance with Government Code Section 54965.9(a) the Board will adjourn to closed session to discuss pending litigation:          | Possible<br>Action |

The ACE Construction Authority is constituted of seven (7) member jurisdiction; the Cities of El Monte, Industry, Montebello, San Gabriel and Pomona, the County of Los Angeles and the San Gabriel Valley Council of Governments. A San Bernardino County Council of Governments representative is an ex-officio Board member. Each member or alternate has one vote. A quorum of the ACE Construction Authority is no less than four (4) of its total voting membership. Actions taken by the ACE Construction Authority shall be by simple majority of the members present with a quorum in attendance except for personnel actions, the annual budget, matters dealing with the Administrative Code or matters requiring subsequent approval by the SGVCOG, all of which shall require five (5) votes. All disclosable public records related to this meeting are available for viewing at the ACE office above during normal working hours.

Los Angeles Superior Court Case No. BS1223376

Edward Rowland LLC and Golden Pacific Realty v ACE Construction  
Authority and Caltrans

XIII. Adjournment

Action

Immediately following the ACE Board meeting a tour of the Sunset Avenue project is scheduled. Those interested in participating should wear hard sole shoes for your protection. Additional protective safety gear will be provided by the ACE Construction Authority.



## **Alameda Corridor-East Construction Authority**

4900 Rivergrade Rd. Ste. A120 Irwindale, CA 91706 (626) 962-9292 fax (626) 962-3552 [www.theaceproject.org](http://www.theaceproject.org)

### **Alameda Corridor-East Construction Authority**

#### **Board of Directors Meeting**

**October 26, 2009 Minutes**

Chairman Spohn called the meeting of the Board of Directors of the Alameda Corridor-East Construction Authority to order at 2:00 PM.

**1. In attendance were:**

Tim Spohn, Industry  
David Gutierrez, San Gabriel  
Patricia Wallach, El Monte  
Tom King, Walnut, SGVCOG  
Rosemarie Vasquez, Montebello

**Staff**

Rick Richmond, Chief Executive Officer  
Joe Silvey, Legal Counsel  
Deborah Massey  
Regina Talamantez  
Lou Cluster  
Cynthia Ambrose  
Victoria Butler  
Yanin Rivera

**Guests**

Mick Bartholomew, PBS&J  
David Nelson, City of Pomona  
Dolly Walton, Athalye Consulting  
Dave Tiberi, Athalye Consulting  
Bruce Russell, Jacobs

- 2. Pledge of Allegiance** – Member Vasquez led the pledge of allegiance.
- 3. Approval of Minutes of September 24, 2009** – A motion was made to approve the minutes of August 24, 2009. M/S/C/Wallach/King/Unanimous
- 4. Public Comments** – Mr. Ralph Megna, representing MIPCO, LLC, indicated no resolution has been met between ACE and MIPCO had not reached agreement regarding property acquisition. He is concerned that future inadequate truck access will affect their business and their tenants and again requested ACE to acquire the property in its entirety.
- 5. Chairman's Report** – Chairman Spohn reported that last week the MTA Board of Directors adopted the Long Range Transportation Plan which includes \$400 million in Measure R funds for the ACE Project through the year 2017. This funding will be significant to the success of the ACE project, and he thanked

Supervisors Molina, Antonovich and Councilman Fasana for their advocacy on our behalf at the MTA.

6. **CEO's Report** – Mr. Richmond reported that Caltrans approved the Mitigated Negative Declaration for the Nogales St. project which enables ACE to move forward with property acquisition. He also announced that the Draft EIR/EA for the San Gabriel Trench project is now in circulation for public comments and that a public open house will be held on Wednesday, October 28, at the San Gabriel Mission Playhouse. Mr. Richmond report that a joint letter signed by Congress members Chu, Dreier, Miller, Napolitano and Schiff was sent to U.S. Transportation Secretary LaHood in support for ACE's application for \$33.652 million from the TIGER discretionary grant program.

Ms. Victoria Butler reviewed construction progress photos of the Sunset Avenue grade separation project. Mr. Richmond, on behalf of Mr. Charles Tsang, reviewed construction progress photos from the Temple Avenue project.

7. **Approval of Construction Management Task Order for the Baldwin Avenue Grade Separation Project with Lim and Nascimento Engineering** - Mr. Richmond reported that in August we were advised that Lim and Nascimento (LAN) was acquired by AECOM which is the designer of the Baldwin project. He indicated ACE's past practice would not favor having the construction manager of the same design firm. However, LAN has agreed to conditions which would provide reasonable protection under the circumstances. Conditions include the ability to obtain a third party opinion on design/contractor issues at LAN's cost if judged necessary by ACE, key LAN staff will remain for one year after construction starts, overhead rate will not increase beyond a provisional rate, and E&O insurance carrier will remain separate from AECOM. Mr. Richmond indicated ACE has been very pleased with the CM work performed by LAN on their prior LAN's projects.

A motion was made to authorize the Chief Executive Officer to approve a task order for construction management services to Lim & Nascimento for the Baldwin Avenue grade separation project. M/S/C/Vasquez/King/Unanimous

8. **Approval of Amendment to Demolition Contract with Interior Demolition for the Baldwin Avenue Grade Separation Project**  
Mr. Richmond indicated as part of preconstruction activities for the Baldwin Avenue project demolitions have continued. Remaining are four commercial buildings and one residential duplex and on October 14<sup>th</sup> bids were received from two of the four previously approved on-call contractors to perform demolition services. Interior Demolition, Inc. submitted the low bid. He reviewed the

unknown site conditions and requested the Board approve a 15% contingency to address the issues.

A motion was made to authorize the Chief Executive Officer amend the contract with Interior Demolition,, Inc. for demolition services for the Baldwin Avenue grade separation project; to add \$150,000 for a new contract value of \$275,000. M/S/C/Wallach/Gutierrez/Unanimous

9. **Quarterly Project Progress Reports** – Mr. Richmond reviewed the project costs. He indicated that Ramona and Temple close out reductions combined with Baldwin and Nogales increases resulted in an overall \$1.5 million increase to the current Phase I forecast. He reviewed activities which included Baldwin Avenue property related acquisition activities, Temple Avenue retaining wall construction, the EIR/EA being circulated for the San Gabriel Trench.
10. **Quarterly Financial Reports** – Mr. Richmond reviewed the FY 2010 budget status, cash expenditures by project, and expenditures versus receipts by project. Mr. Richmond also reviewed the status of the agency's investments.
11. **Presentation on ACE Project Financial Liability** - Mr. Richmond indicated this item was a follow up to concerns raised by COG's Executive Director in his comments to the ACE Board last month regarding the financial liability of the ACE Project to the COG.

Mr. Richmond reviewed the most likely or significant sources of potential liability created by the ACE Project and what ACE is doing to avoid or minimize risk. They are:

- Spending commitments in excess of available funding: Mr. Richmond reviewed the financial control system staff uses to monitor and avoid this. The information ACE staff uses will also be provided to SGVCOG with the new reporting formats.
- Delays in grant reimbursements: Mr. Richmond reviewed the report already being provided to the ACE Board and SGVCOG to track this. It is reviewed by ACE staff monthly.
- Unreimbursable expenditures: Mr. Richmond explained different reasons this could occur, how it is monitored, and what precautions ACE staff is taking to avoid it.

12. **Closed Session** – Legal Counsel announced the Board would convene to closed session in accordance with government code sections 54957 to discuss the performance evaluation of the Chief Executive Officer and 54956.8 for conference with real property negotiators – two cases. The Board returned from closed session and counsel indicated there was no action taken by the Board.
13. **Adjournment** - The meeting was adjourned at 3:46PM





## **Alameda Corridor-East Construction Authority**

4900 Rivergrade Rd. Ste. A120 Irwindale, CA 91706 (626) 962-9292 fax (626) 962-3552 [www.theaceproject.org](http://www.theaceproject.org)

### **ALAMEDA CORRIDOR-EAST CONSTRUCTION AUTHORITY**

#### **BOARD OF DIRECTORS**

#### **SPECIAL MEETING AGENDA**

**Monday, December 21, 2009 – 2:00 P.M.**

**Industry Council Chambers**

**15651 Stafford Street**

**Industry, CA 91744**

**NOTE  
LOCATION  
CHANGE**

---

Members of the public may comment on any item on the agenda at the time it is taken up by the Board. We ask that members of the public come forward to be recognized by the Chair and keep their remarks brief. If several persons wish to address the Board on a single item, the Chair may impose a three-minute time limit on individual remarks at the beginning of the discussion.

---

- I. Pledge of Allegiance
- II. Roll Call and Introductions
- III. Approval of Minutes of November 23, 2009 Special Board Meeting (Pages 1-4) Action
- IV. Public Comment
- V. Chairman's Remarks
- VI. Chief Executive Officer's Report (Pages 5-7) Information
- VII. Approval of FY 2010 Task Order Amendment for Wagner Engineering for the Nogales Street Grade Separation Project (Page 8) Action
- VIII. Approval of San Gabriel Trench Mitigation Agreement with the City of Alhambra (to be distributed separately) Action
- IX. Approval of 2010 Board Meeting Schedule (Page 9) Action
- X. Closed Session: The Board will adjourn to closed session in accordance with Government Code Section 54957.6 to discuss real property negotiations:

Property Address: 4255 Baldwin Avenue El Monte, CA 91731 Possible  
Property Negotiators: ACE Construction Authority and Jack Owens Action  
Owen Development  
Under discussion: Price and Terms

---

The ACE Construction Authority is constituted of seven (7) member jurisdiction; the Cities of El Monte, Industry, Montebello, San Gabriel and Pomona, the County of Los Angeles and the San Gabriel Valley Council of Governments. A San Bernardino County Council of Governments representative is an ex-officio Board member. Each member or alternate has one vote. A quorum of the ACE Construction Authority is no less than four (4) of its total voting membership. Actions taken by the ACE Construction Authority shall be by simple majority of the members present with a quorum in attendance except for personnel actions, the annual budget, matters dealing with the Administrative Code or matters requiring subsequent approval by the SGVCOG, all of which shall require five (5) votes. All disclosable public records related to this meeting are available for viewing at the ACE office above during normal working hours.

And in accordance with Government Code Section 54965.9(a) the Board will adjourn to closed session to discuss existing litigation (2 cases):

Los Angeles Superior Court Case No. BC 392551  
Alameda Corridor-East Construction Authority vs Jast Family  
Limited Partnership

Possible  
Action

Los Angeles Superior Court Case No. BS 1223376  
Edward Rowland LLC and Golden Pacific Realty v ACE  
Construction Authority and Caltrans

Possible  
Action

XI. Adjournment

Action



## **Alameda Corridor-East Construction Authority**

4900 Rivergrade Rd. Ste. A120 Irwindale, CA 91706 (626) 962-9292 fax (626) 962-3552 [www.theaceproject.org](http://www.theaceproject.org)

### **ACE Construction Authority Board of Directors November 23, 2009 Meeting Minutes**

1. **Roll Call** – Chairman Spohn called the meeting to order at 2:05PM at the City of Industry Council Chambers. In attendance were:

Tim Spohn, Industry  
Tom King, SGVCOG  
David Gutierrez, San Gabriel  
Patricia Wallach, El Monte  
Rosemarie Vasquez, Montebello  
Gloria Molina, County of Los Angeles  
Stephen Atchley, Pomona

#### **Guests**

Polly Walton, Athalye Consulting  
Karim Varshochi, Jacobs Engineering  
Dick Howdle, Jacobs Engineering  
Jeanne Harwin, Jacobs Engineering  
John Ballas, City of Industry  
Hank Alosa, Jacobs Engineering

#### **Staff**

Rick Richmond, Chief Executive Officer  
Joe Silvey, Counsel  
Deanna Stanley  
Charles Tsang  
Victoria Butler  
Carlos Monroy

2. **Pledge of Allegiance** – Member Vasquez led the pledge of allegiance.
3. **Approval of October 26, 2009 Minutes** – A motion was made to approve the minutes of October 26, 2009. M/S/C/Gutierrez/Vasquez/Unanimous
4. **Public Comments** – There were no public comments.
5. **Chair Report** – Chairman Spohn indicated this would be the last meeting for Supervisor Molina due to the annual rotation of the LA County's term and that Supervisor Antonovich would assume the seat in December.
6. **Chief Executive Officer's Report** – Mr. Richmond reminded the Board that a public meeting was held in the City of San Gabriel to review the draft environmental impact report. He indicated staff received approximately two

dozen written comments and was actively preparing responses. Member Gutierrez thanked staff for their efforts. Mr. Richmond also reported a presentation of the San Gabriel project was given to the Alhambra Council. Lastly, Mr. Richmond reported that a tour of the ACE Project was arranged for the Deputy Secretary of US Transportation Department and Maritime Administration Acting Administrator. Congresswoman Laura Richardson also participated in the tour and briefing. Charles Tsang reviewed progress photos of the Temple Avenue project. Victoria Butler reviewed construction project progress photos of the Sunset Avenue grade separation project.

7. **Approval of Additional Contingency Authorization for Sunset Avenue Grade Separation Project** - Mr. Richmond reviewed the overall scope of the project. He reminded the Board that this project has had a number of issues from its inception due to inadequate level of design and assumptions of site conditions, utility requirements and conflicts, UPRR contractor requirements and contractor delays. He reviewed at length the combination of issues with the project and indicated the construction is now moving at a rapid pace and staff expects the acceleration to outweigh the value of delay costs at the completion of the project. He indicated of the \$4.7 million requested, 1% is factored for unknown project costs which have not surfaced yet. Member Molina requested clarification on the sewer pipe and UPRR requirements. Mr. Richmond indicated the design contained errors in measurements. He reviewed various requirements and conflicts with the Union Pacific.
- A motion was made to authorize an additional 11% of base contract value to approve future change orders on the Sunset Avenue grade separation project, resulting in a maximum contract value of \$56,710,035 for a total contingency of 35%.
- M/S/C/Wallach/Atchley/Unanimous

8. **Approval of Amendment to Construction Contract Services Contract for the Sunset Avenue Grade Separation Project with PB Americas, Inc.** Mr. Richmond reported this project, described earlier, requires an on-site Construction Manager. He indicated the amount of construction management work is greater than previously anticipated and with the acceleration of the project a modified workforce has been put in place. The CM would be required to stay for the duration of the project and the amendment reflects the costs associated with this. A motion was made to authorize the Chief Executive Officer to amend the contract with PB Americas, Inc to add an amount not to exceed \$330,391 to task order #3 of the contract for construction management services

for the Sunset Avenue grade separation project for a new task order value of not to exceed \$6,055,663.

M/S/C/King/Wallach/Unanimous

9. **Approval of Amendment to FY 2010 to Task Order for Relocation Services with Del Richardson & Associates** - Mr. Richmond explained at the time the FY 2010 budget was prepared the need to increase the level of effort was not anticipated. However, with the increased number of relocations needed to expedite demolition due to safety and nuisance conditions, an amendment to their task order and budget is needed.

A motion was made to amend the fiscal year 2010 task order with Del Richardson & Associates to provide an additional level of effort necessary for the Baldwin Avenue grade separation project. The additional costs will not exceed \$21,000 resulting in a new FY 2010 task order total of \$75,300.

M/S/C/Atchley/King/Unanimous

10. **Approval of Revised Project Reporting** – Mr. Richmond reviewed the history of this item and indicated he has met with the COG's City Manager's Steering Committee once, and the Finance Directors Group twice to review the format and reporting information. He indicated, based on those meetings he thought the revised reports were adequate for reporting requirements for both the COG and the ACE Boards.

A motion was made to approve the ACE Project reporting format.

M/S/C/Atchley/Wallach/Unanimous

11. **Financial Statements for Fiscal Year 2009** – Mr. Carlos Monroy, Finance Director reviewed the project expenses and net assets for the end of fiscal year 2009.

12. **Closed Session** – Counsel reported the Board would adjourn to closed session in accordance with Government Code Section 54965.9(a) to discuss pending litigation Los Angeles Superior Court Case No BS1223376 Edward Rowland LLC and Golden Pacific Realty versus ACE Construction Authority and Caltrans. The Board returned to open session and counsel announced there was no action taken by the Board.

13. **Adjournment** – Prior to adjournment Chairman Spohn thanked Ms. Molina for her valuable contributions to the ACE Board as member and as member of the MTA.

The meeting was adjourned to a site tour of the Sunset Avenue grade separation project. The meeting was adjourned at 3:43PM.